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AGENDA

UAF STAFF COUNCIL MEETING #106A
Thursday, March 11, 1999
8:30 - 9:15 a.m.
Wood Center Conference Rooms C/D

Time	Item	Length of Time
8:30	I Call to Order - B. Frey A. Roll Call B. Adopt Agenda	10 Min.
8:40	II OTHER BUSINESS A. Discussion and recommendation to Staff Alliance on Health Care Package (Attachment 106A/1) -Staff Council Motion on Health Benefits (Attachment 106A/2) -Memo from Patty Kastelic (Attachment 106A/3)	30 Min.
9:15	XII ADJOURNMENT	

ATTACHMENT 106A/1
UAF STAFF COUNCIL #106A
MARCH 11, 1999

Staff Alliance has requested input from UAF Staff Council on our recommendation for our upcoming health care package. They will make a recommendation to statewide based on the input from all three campuses. Therefore, we need to make a recommendation to Staff Alliance on one of the following options:

Option 1:
Recommend that UA proceed with the UA2000 health plan, with the following changes in mind for the RFP and future negotiations with health care administrators: (areas for discussion taken from the motion passed by Staff Council at the February 2 meeting)

1. deductible
2. out-of-network charges
3. inclusions in the wellness benefit
4. Pharmacy rate coverages
5. Dependent charges
6.
7.
8.

Option 2:
Recommend that UA formulate a cafeteria-style insurance plan with the following items included in the plan:

1. 3-tier charge system - low level of coverage, UA2000 type coverage, high-end coverage
2.
3.
4.

5.
6.
7.
8.

ATTACHMENT 106A/2
UAF STAFF COUNCIL
MARCH 11, 1999

RESOLUTION PASSED (unanimous)
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WHEREAS, the UAF Staff Council recognizes that the University is committed to offering it's employees a health care plan that is intended to promote and foster a sense of economic security against uncertain health care events and their potentially catastrophic costs; and

WHEREAS, the UAF Staff Council recognizes that health care costs are increasing and it is reasonable to expect staff to contribute more dollars toward the cost of their coverage; and

WHEREAS, the UAF Staff Council believes that Statewide administration has not given staff adequate details regarding health care plan changes for us to make an informed decision, and Statewide administration has not given staff adequate time to respond with viable alternate recommendations; and

WHEREAS, The UAF Staff Council has found that the following items of the proposed health care plan are unacceptable:

1. Increasing the individual and family deductible from \$100/300 to \$250/500.
2. Implement a preferred provider organization provision that pays 80/20% for in-network services and 60/40% for services performed by a health care provider who is not a member of the network (out-of-network)
3. Implement a \$400 wellness benefit, not subject to the deductible.
4. Change the pharmacy program from a 80/20% co-insurance to a flat \$7 generic and \$10 name brand co-payment system.
5. Coverage of dependents on health care; now

THEREFORE BE IT RESOLVED, That the UAF Staff Council recommends the following:

1. Reconsider the increase to the individual and family deductible, 150% is a substantial increase and would have considerable impact on an employee and their families, particularly those on the lower end of the pay scale.
2. Out-of-Network charges be covered "up to" the same dollar level as In-Network-Charges, and said charges would accrue toward the maximum out-of-pocket limits. Consider providing incentives for employees to select preferred providers.
3. Include in the wellness benefit weight loss, smoking cessation, and fitness center usage. As medical costs continue to increase at a substantial rate, some mechanism needs to be set in place that this amount for wellness-related medical services keep pace with the increased costs.
4. No change to the current pharmacy coverage of 80/20% to a flat rate and increase the out-of-pocket maximum to \$150.
5. Dependents charges should adequately reflect the actual number of dependents and not limited to 4+ dependents; also

BE IT FURTHER RESOLVED, That the UAF Staff Council requests that Statewide administration limit the contract with the health care administrator to two years and set up a continuing task force on health benefits, housed in Staff Alliance, which can continue reforming the health care plan to better serve the employees.

ATTACHMENT 106A/3
UAF STAFF COUNCIL
MARCH 11, 1999

DATE: March 8, 1999

TO: UAF Staff Governance Council

FROM: Patty Kastelic, Executive Director of Statewide Human Resources
Mike Humphrey, Director of Benefits, Statewide Human Resources

At several recent meetings, including the Board of Regents' meeting in Juneau, UAF representatives have suggested that there are 'better and cheaper standard health care plans offered in Alaska," and that the university should look into these other plans as a way to improve coverage and control costs. We continuously review other plans (see attached), and plan comparison reports, but we have not found a plan that provides equivalent coverage for less cost than ours. In the last few weeks, the most frequently mentioned plan has been the health care plan offered at Spenard Builder's Supply. This plan has approximately 5,500 participants, the vast majority of them live outside the state of Alaska. While the costs may be lower, the costs are not driven by the price of health care services in Alaska, as is the case with the UA plan. We have compared the provisions of this plan to our current plan (see attached), and would like to highlight the differences in the out-of-pocket costs, vision, dental, and waiting period requirements as significant areas where this plan is not "better." Even the proposed UA 2000 plan with its increased deductible and out-of-pocket maximum still provides a greater level of overall coverage and reimbursement than the Spenard Builders Supply health care plan.

Although we would like to find the magic plan that would continue current coverage at less cost, we are unlikely to find such a plan in the state of Alaska for our employees and their dependents. Last year, UA paid \$17.7 million in submitted healthcare claims for plan participants. The only ways to reduce the University of Alaska's health care costs are to cover fewer services, require that employees and their dependents use fewer covered services or require the medical community to accept the lower fee for their services; options that are not currently viable at UA or in the State of Alaska.

The University also paid claims administrative expenses of \$1.1 million last year. That administrative expense bought our employees the comprehensive level of customer service that they expect to see in their health care plan, i.e., Alaska-based usual and customary fee tables, claims inquiry systems, telephone support, claims appeal process and claims mediation services. During the upcoming bid process the University will have an opportunity to assure the lowest possible costs for competent plan administration. The RFP (request for proposal) must be completed by late April. As we finalize the UA 2000 health care plan, we would be glad to meet with you during the next few weeks to discuss this information and other health care plan issues.

Charges for Health Care Plan Coverage			
		Spenard Builder's Supply	Basic Health Care Plan
Employee Charge		\$28.00/month	\$23.75/month
Dependent Charges			
1 dependent-		\$28/month	\$14/month
2 dependents -			\$24/month
2+dependents -		\$50/month	
3+ dependents -			\$37/month
Medical Plan			
Waiting period for new employees		60 days	none
Deductible		\$200/individual \$400/Family	\$100/individual \$300/family
Coinsurance		Network hospital 90% after deductible Physician charges 80% after deductible	First 90 days hospital stay 100% Physician charges 80% after deductible
Annual Out-of-Pocket			
maximum (does not include deductible)		\$4,000/person	\$400/person \$750/family
Lifetime maximum		\$1,000,000	\$1,000,000
Emergency Room Copayment		100% to a maximum of \$500	80% as other expenses after deductible
Well Baby and Well			

Child checkups	under general physical benefit	under age 1: 6 physical exams including immunizations at 100% with no deductible
General Physical Benefit	100% of allowable charges to an annual maximum of \$200	From age 1 through age 5: one physical exam annually including immunizations at 100% with no deductible
Immunizations	Under the general physical benefit	Depending on age up to \$150 toward: pap, prostate and/or colon screenings per year not covered
Chiropractic	\$1,000 per year	80% as other expenses after the deductible
Mental Health	Inpatient 30 days per year limit Outpatient 52 visits per year paid at 50%	Inpatient 25 days per year limit Outpatient 52 visits per year paid at 80% after deductible
Pharmacy		
Local Pharmacy	80% after deductible	Network Pharmacy: 80% of generic with no deductible Brand name 80% of generic equivalent with no deductible \$100 out of pocket max
Mail Order	\$10 copay for 90 day supply	80% of generic for 100 day supply with no deductible \$100 out of pocket max
Dental Plan		
Deductibles:	\$0	\$0
Preventive	\$50 indiv/\$100 family	\$0
Restorative	with restorative	\$0
Prosthetic		
Coinsurance:	100%	100%
Preventive	80%	80%
Restorative	50%	50%
Prosthetic		
Annual Maximum	\$1,000	\$2,000
Orthodontia	not covered	not covered
Vision Plan		
Deductibles	No vision plan coverage	\$0
Exams	not covered	\$28 one per calendar year once per calendar year
Lenses	not covered	\$20 max single field \$30 max bifocal \$40 max trifocal \$90 max lenticular prescription
Frames	not covered	\$25 max 1 pair in any 2 consecutive calendar years
Contacts	not covered	\$45 max - not available in same year as glasses
Note: The Spenard Builders plan covers approximately 5,500 participants with a vast majority of them living outside of Alaska. So while costs may be lower, the costs are not driven by the price of health care services in Alaska, as is the UA Health care plan.		
Insurance Company or Claims Administrator		
Employer	Monthly Employer contribution to Health Premium	
	Monthly Employee contribution to Health Premium	
	Total Monthly Premium	
Blue Cross		
Anchorage School District	349.06 to 411.88	
	62.82 to 125.64	
	474.70	
NEA		
Anchorage School District	370.00	
	144.36	
	514.36	

Aetna	Municipality of Anchorage	488.00 to 545.00	
		0.00 to 50.00	488.00 to 595.00
Blue Cross	University of Alaska	414.00	
		37.00	451.00
Zenith	Carr Gottstein	591.00	
		25.00	616.00
Blue Cross	National Bank of Alaska	291.72	
		291.72	583.44
Blue Cross	1st National Bank of Anchorage	313.20	
		313.20	626.40
Self Insured	Fairbanks School District	474.57	
		49.57	524.14
Great West	Kenai School District	395.00 to 405.00	
		60.00 to 84.00	455.00 to 489.00
Aetna	State of Alaska	524.00	
		0.00 to 213.00	400.00 to 737.00
Aetna	Fairbanks North Star Borough	483.00	
		0.00 to 50.00	483.00 to 533.00
Self Insured	ARCO	518.00	
		103.60	621.60
Self Insured	BP Exploration	469.00	
		99.00	568.00
Aetna	SESA (SOS)	268.74	
		552.81	821.55
Welfare Pension Services	Enstar	417.00 to 503.00	
		25.00 to 109.00	525.00
Self Insured	Chugach Electric	663.00 to 696.00	
		0.00 to 19.00	663.00 to 672.00